

RuralAmerica

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The well-being of farm households involves more than income. Ashok Mishra and his coauthors analyze farm income and wealth using the Agricultural Resource Management Survey. By looking at the wealth of farm households, including wealth from nonfarm sources, they are able to provide a more complete understanding of the economic welfare of farm families. Only a small portion of farm operator households are economically disadvantaged, partly because in lean years they are able to draw on other assets to meet their consumption expenditures.

Nonmetro areas have long had an income gap compared with metro areas but, as Diane McLaughlin's article shows, they also suffer increasing income inequality. Between 1979 and 1989, real median household incomes declined in nonmetro areas faster than in metro areas. Income improved during 1989-99, but metro areas did better, leaving a gap of nearly \$16,000 between nonmetro and suburban households. Income inequality also grew between 1979 and 1999, though not so much as in the central cities and suburbs. Income inequality has increased due to a number of different causes, including changing household structure, industrial restructuring, and increased participation by women in the workforce.

Now that data from the 2000 census are becoming available, recent population trends are emerging. Willis Goudy finds the population of the Midwest is continuing to grow, but at a slower rate than the rest of the country. Nonmetro counties in the Midwest grew less than metro counties, and growth often depended on how close a county was to a metro area. The most rural counties commonly lost population, especially among the young, while counties adjacent to metro areas showed stronger growth.

The aging American population has brought more attention to the health problems of older people. Carolyn C. Rogers examines both rural health issues and Medicare restructuring in two separate articles. (The next issue of Rural America will be a special one on aging.) One out of five rural residents is over 65. Older rural people rate their health as poorer than urban people do, yet rural areas offer fewer health care options. The quality and variety of health care varies widely between rural communities, but most suffer limited access to doctors and hospitals, fewer choices among doctors, and fewer specialized facilities.

The greatest barrier to health care, however, is financial. Rural areas have had less access to managed care and rural providers have received lower reimbursements for Medicare expenses, meaning that more of the costs of care are passed on to patients. Recent legislation has tried to address the needs of rural health care providers, but rural areas are vulnerable to cuts in funding.

The Rural Updates section opens with our annual review of rural development policy. A new President, new Senate majority, recession, and the September 11 terrorist attacks all made 2001 a memorable year. Richard J. Reeder discusses educational reform, tax revisions, airport security, and funding changes in infrastructure, business assistance, housing, and general development. Debate on new farm and rural development legislation extended into 2002 and culminated in the Farm Security and Rural Investment Act, which contains a number of important rural development provisions.

James Monke and Ron Durst follow this with a close look at the new Economic Growth and Tax Relief Reconciliation Act of 2001, which reduces taxes over a 10-year period. Rural taxpayers typically pay less in Federal taxes because of lower incomes. Like other Americans, they will benefit from lower tax brackets, relief from the marriage penalty, higher child tax credits, higher IRA contribution limits, improved educational benefits, and expanded earned income tax credit eligibility. In addition, phase-out of estate taxes should benefit farmers and small business owners.

Weekly nonmetro earnings continued to rise in 2001 despite the recession, though at a slower rate than previous years. Robert M. Gibbs and Timothy S. Parker use the Current Population Survey to examine nonmetro wage growth by sex, race/ethnicity, and education level. All major demographic groups—but especially Blacks, women, and college graduates—have benefited from higher earnings. The share of nonmetro workers in low-wage jobs has fallen to under 25 percent, but almost half of workers without high school diplomas still hold low-wage jobs.

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